



**WINNING TOGETHER**

**QUEST CORP LIMITED**

**POLICY ON CRITERIA FOR DETERMINING  
MATERIALITY OF EVENTS/ INFORMATION**

**Version No. 2 Dated April 17, 2019**

**ON RECOMMENDATION OF AUDIT COMMITTEE AND ADOPTED BY THE BOARD OF  
DIRECTORS AT THEIR MEETING HELD ON MAY 17TH, 2016 AND APPROVED BY  
THE BOARD OF DIRECTORS HELD ON APRIL 17, 2019**

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## LEGAL FRAMEWORK

SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (“Regulations”) requires every listed Company to disclose events or information which, in the opinion of the Board of Directors of a Company, are material.

In this context, the following Policy has been framed by the Board of Directors (“Board”) of Quess Corp Limited (“Company”) at its meeting held on May 17, 2016 with the objective of determining materiality of events under Regulation 30 of the Regulations.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (“Listing Regulation”), issued on May 09, 2018, the Board approved the revised policy for Determination of Materiality of Events or Information to be effective from April 01, 2019. The Board subject to the recommendation of Audit Committee may amend this policy from time to time.

## OBJECTIVE

The objective of this Policy is to serve as a guiding charter to the management to ensure that timely and adequate disclosure of events or information are made to the investor community by the Company under the Listing Regulations, to enable them to take well informed investment decisions with regard to the securities of the Company.

## DEFINITIONS

“**Act**” shall mean the Companies Act, 2013 and the Rules framed there under, including any modifications, clarifications, circulars or re-enactment thereof.

“**Board of Directors**” or “**Board**” means the Board of Directors of the Company.

“**Company**” means Quess Corp Limited.

“**Key Managerial Personnel**” mean Key Managerial Personnel as defined in subsection (51) of section 2 of the Companies Act, 2013;

“**Listing Agreement**” shall mean an agreement that is to be entered into between a recognized stock exchanges and the Company pursuant to the Regulations.

“**Listing Regulation**” means SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 dated May 09, 2018

“**Material Event**” or “**Material Information**” shall mean such event or information as set out in the Schedule or as may be determined in terms of the Regulations. In the Policy, the words, “material” and “materiality” shall be construed accordingly.

“**Policy**” means this Policy on criteria for determining Materiality of events or information and as amended from time to time.

**“Regulations”** mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

**“Schedule”** means a Schedule III of (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018.

**“Stock Exchange(s)”** means BSE Limited and National Stock Exchange of India Limited where the equity shares of the Company are listed.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulation, or any other applicable law or regulation to the extent applicable to the Company.

#### **EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS**

The Company shall disclose all such events which are specified in Para A of Part A of Schedule III of the Listing Regulations (as applicable from time to time) without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the Listing Regulations.

#### **EVENTS WHICH ARE DEPENDENT ON APPLICATION OF GUIDELINES FOR MATERIALITY**

The Company shall disclose all such material events pertaining to itself or its subsidiary(ies), specified in Para B of Part A of Schedule III of the Listing Regulations subject to application of guidelines for materiality.

#### **GUIDELINES FOR DETERMINATION OF MATERIALITY**

Following are the criteria which shall be applied to determine materiality for the purpose of making disclosure in terms of the Regulation;

(a) have an impact of 10% or more on consolidated turnover as per the last consolidated accounts of the Company; or

- (b) in the Management's assessment likely to have an impact of drop of 10% or more on consolidated net profits (excluding exceptional or extraordinary items) of the Company, as compared to the consolidated Company;
- (c) the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;
- (d) any other event/information which is treated as being material in the opinion of the Board of Directors of the Company;
- (e) the event or information is in any manner unpublished price sensitive information; and
- (f) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly.

#### **ANY OTHER INFORMATION/ EVENT WHICH IS TO BE DISCLOSED BY THE COMPANY**

The Company shall disclose major developments that are likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and any other information which is exclusively known to the Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.

#### **DISCLOSURE OF EVENTS OR INFORMATION**

- a. Events specified in Annexure A are deemed to be material events and the Company shall make disclosure of such events or information as soon as reasonably possible and not later than twenty-four (24) hours from the occurrence of such event or information in the following manner:
  - i. inform the stock exchanges on which the securities of the Company are listed;
  - ii. upload on the website of the Company

Provided that in case the disclosure is made after twenty-four (24) hours of occurrence of such event or information, the Company shall, along with such disclosure(s), provide an explanation for delay.

- b. The Company shall make disclosure of events as specified in Annexure B based on application of guidelines for determining Materiality as mentioned aforesaid.
- c. The Company shall make disclosures updating Material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations
- d. The Company shall disclose all events or information with respect to its Material Subsidiaries.
- e. The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information and on its own initiative. Further it shall confirm or deny any event or information to Stock Exchange(s) reported in the media.

- f. In case where an event occurs or information is available with the Company, which has not been indicated in Annexure A or Annexure B, but which may have material effect on it, the Company will make adequate disclosures in regard thereof.
- g. The guidance on when an event/information can said to have occurred is in Annexure C.

All the above disclosures will be hosted on the website of the Company [www.quesscopy.com](http://www.quesscopy.com) for a minimum period of five years and thereafter archived in accordance with the Company's policy for Preservation and archival of documents. .

### **AUTHORIZATION FOR DETERMINING MATERIALITY**

The following KMPs are hereby severally authorized by Board of Directors for the purpose of determining materiality of an event or information and for the purpose of making disclosures to Stock Exchange(s) ("**Authorized Person(s)**"):

- a. Managing Director
- b. Chief Financial Officer
- c. Company Secretary

The materiality of events outlined above are indicative in nature. There may be a likelihood of some unforeseen events emerging due to the prevailing business scenario from time to time. Hence, the relevant Authorized Person should exercise his/her own judgement while assessing the materiality of events associated with the Company. In case the relevant Authorized Person perceives any doubt regarding materiality he/she may consult Chairman or any other Director before disclosing the information to the Stock Exchange(s).

Details of above KMPs shall be also disclosed to the Stock Exchange(s) and as well as on Company's website.

### **AMENDMENTS**

The Board may subject to the recommendation of Audit Committee amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

### **DISSEMINATION OF POLICY**

The Policy shall be hosted on website of the Company viz; [www.quesscopy.in](http://www.quesscopy.in)

### **POLICY REVIEW**

The Policy shall be subject to review of the Board and Managing Director, Company Secretary and CFO are severally authorised to amend it suitably as may be deemed necessary in accordance with any regulatory requirements/ amendments.

**ANNEXURE-A****Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):**

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or any other restructuring.

Explanation.- For the purpose of this sub-para, the word 'acquisition' shall mean,-

- (i) acquiring control, whether directly or indirectly; or,
- (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -
  - (a) the listed entity holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
  - (b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.
2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.
3. Revision in Rating(s).
4. Outcome of Meetings of the board of directors: The listed entity shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:
  - (a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
  - (b) any cancellation of dividend with reasons thereof;
  - (c) the decision on buyback of securities;
  - (d) the decision with respect to fund raising proposed to be undertaken
  - (e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
  - (f) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
  - (g) short particulars of any other alterations of capital, including calls;
  - (h) financial results;
  - (i) decision on voluntary delisting by the listed entity from stock exchange(s).
5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
6. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.

- 7A. In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
- 7B. Resignation of auditor including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:
- i. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges
  - ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided
  - iii. The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause (i) above
8. Appointment or discontinuation of share transfer agent.
9. Corporate debt restructuring
10. One time settlement with a bank.
11. Reference to BIFR and winding-up petition filed by any party / creditors.
12. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the listed entity.
13. Proceedings of Annual and extraordinary general meetings of the listed entity.
14. Amendments to memorandum and articles of association of listed entity, in brief.
15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

## ANNEXURE-B

### **Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):**

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).
3. Capacity addition or product launch.
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.
6. Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
7. Effect(s) arising out of change in the regulatory framework applicable to the listed entity.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

**ANNEXURE-C**

Any other information/event viz. major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and any other information which is exclusively known to the listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.